

HAZARD MITIGATION GRANT PROGRAM
FEMA-DR-XXXX-CA
NOTIFICATION TO SUBGRANTEES
GRANT ADMINISTRATION PROCEDURES

1. ADVANCES

The Governor's Office of Emergency Services (OES) may consider approval of a one time advance provided the subgrantee justified the need for an advance in their Hazard Mitigation Grant Program (HMGP) application. The subgrantee can obtain those funds by completing and submitting the *Request for Advance or Reimbursement of Funds* form provided in this package. Subgrantees who *did not* request advance funding are not eligible for advances.

2. WORK SCHEDULES

The subgrantee must provide OES with a projected *Work Schedule* within thirty (30) days of receipt of this Obligation Package. This is a one-time-only report. It should outline the proposed work schedule for the approved project, including milestones. The milestones listed in the *Work Schedule* will be used by the HMGP to measure the progress reported to OES in the Quarterly Reports. Please provide a separate report for each project. The *Work Schedule* should include the following information:

Table/Chart or Graph - Create a table, chart or graph depicting your proposed work schedule by major milestones (activities/measures) from the time of initiation to completion of proposed project.

Time line - How long you anticipate the project will take to complete (in months)?

Phases - Explain in some detail, if you plan to perform your project(s) in several phases, and why.

Extended Start and Completion Dates - Explain any project start dates beyond sixty (60) days from approval date, or completion dates beyond three (3) years.

3. PROCUREMENT/COMPETITIVE BIDS PROCESS

All contract/procurement transactions must be carried out in a manner consistent with financial administrative requirements found in Title 44 of the Code of Federal Regulations (44CFR) Part 13.

4. ALLOWABLE COSTS

FEMA has approved a total eligible project costs. The actual project cost may vary. OES will only approve reimbursements for eligible project activities. No funds will be allocated for activities that are not consistent with the approved scope of work.

Should the subgrantee be able to complete this work for less than the maximum allowable costs, the subgrantee will be reimbursed at 75% of the actual costs. If the project costs exceed the maximum allowable costs, the subgrantee will be reimbursed at 75% of the total approved project cost.

5. COST OVERRUNS

Cost over-runs can be considered only if available funding exists in the HMGP for the declared disaster. Cost over-runs under ten (10) percent of the approved project cost are allowed when offset by cost under-runs on other projects, as determined by OES.

Cost over-runs will be indicated by quarterly progress reports and subsequently verified by project inspections and audits. All cost over-runs must be requested *before* expenditure of costs in excess of the total approved project costs. Costs in excess of total approved project costs expended before approval of a cost over-run will not be considered eligible HMGP expenditures. All cost over-runs must be justified by the subgrantee. Unjustified over-runs will be denied by OES.

Cost over-runs exceeding ten (10) percent of the approved project cost require OES to submit the request with a recommendation to the FEMA Regional Director for review and final determination.

6. QUARTERLY REPORT PROCEDURES

Subgrantees are required to submit progress reports to OES on a quarterly basis until project closeout. Quarterly Reports will not be required of projects with a duration of less than three months. A single report for such short-term projects will satisfy reporting requirements.

The first Quarterly Report is due to OES within three months following the project initiation. Quarterly Reports will thereafter be numbered consecutively (e.g. a 24 month project is required to submit 8 quarterly reports.) The following is the schedule for the Quarterly Reports:

First Reporting Period:	January 01 - March 31	Report due by April 15
Second Reporting Period:	April 01 - June 30	Report due by July 15
Third Reporting Period:	July 01 - September 31	Report due by October 15
Fourth Reporting Period:	October 01 - December 31	Report due by January 15

Quarterly Reports shall include, at a minimum:

- a. The status and completion dates for each project funded, including any problem or circumstances affecting the completion dates, scope of work, or project costs which are expected to result in noncompliance with the approved grant conditions.
- b. A description of milestones completed in accordance with the schedule provided in the subgrantee's work schedule. The milestones declared in the subgrantee's worksheet application will be applied as a standard of the project's progress.

OES will review and approve subgrantee reports prior to submittal to FEMA, identifying projects requiring special attention or inspection. The Governor's Authorized Representative (GAR) will review and forward the reports, with comments, to the FEMA Regional Director.

7. REIMBURSEMENTS

Payments to subgrantees are made on a reimbursement basis. Reimbursements are for "costs-to-date", or expenditures to be incurred within five (5) days of receipt of funds. Project expenditures will be reimbursed at 75% of eligible costs. Complete the *Request for Advance or Reimbursement of Funds* form provided and supply a summary of project expenses to date for all reimbursement claims.

8. FINAL REPORT

Final claims must be filed using the attached *Final Claim* form. At that time administrative costs for the project will be calculated. All project costs are subject to audit, therefore, the necessary paper trail is required to verify the scope of work and cost. All project documentation must be retained by the subgrantee for three years from project close-out. The subgrantee shall submit a final program report package to OES when the project has been completed. The package will include the following:

- * Certification that all funds have been expended in accordance with all signed assurances.
- * A listing of all projects and final expenditures.
- * Description of planned maintenance activities including who, what and how these tasks will be performed.
- * Identify whether the original goal of the project was successfully accomplished.
- * An inspection report prepared by either a local building official or public works inspector.
- * Materials such as pamphlets, videos and/or any other program developed materials.

* Photographs of completed projects

Payment of the subgrantee administrative fee will be processed upon OES's receipt of all required close-out documentation.

9. INSPECTIONS

OES reserves the right to inspect all projects for compliance. OES may require the subgrantee to perform a final project inspection and prepare a report. If inspections and review of subgrantee support documentation reveal problems in performance of work and/or the documentation of such work, OES shall require the subgrantee to correct the deficiencies before project closeout.

10. AUDITS

OES may request, at any time, an audit for any monies disbursed, regardless of amount, to a subgrantee. The subgrantee will provide reasonable access to all records. Audits of subgrantees receiving federal grants will be conducted in conformance with the requirements of the Single Audit Act as amended in 1996 (PL 104-156) and OMB Circular A-133, as well as related FEMA regulations and instructions. In each case where the subgrantee is provided \$300,000 or more funds in the fiscal year, local governments shall be audited in conformance of Circular A-133. If required, the subgrantee will provide copies of the audit performed under the Single Audit Act to the FEMA Inspector General. Records must be retained by the subgrantee for three years from project close-out.

11. APPEALS (Reference: 44CFR 206.440, Appeals)

A Subgrantee may appeal any determination relative to grant assistance by submitting justification in writing to OES within sixty (60) days of the action being appealed. Local appeals are submitted through the GAR. Applicants must provide sufficient information to allow the GAR to determine the facts and validity of the request. All appeals will be handled through OES.

OES will review the appeal materials submitted, make any additional investigations necessary and forward the appeal with a written recommendation to the FEMA Regional Director within sixty (60) days.

The Regional Director shall notify OES as to the disposition of the subgrantee's appeal or need for additional information within ninety (90) days following receipt of all related information and shall notify the GAR, in writing, as to a decision within ninety (90) days of receipt of all information. If the decision is to grant the appeal, the Regional Director will take appropriate implementing action.

If the Regional Director denies the appeal, the subgrantee may submit a second appeal in writing to the GAR. The GAR reviews the second appeal and may forward it to the FEMA Associate Director through the FEMA Regional Director. Such appeals shall be made in writing and shall be submitted not later than sixty (60) days after receipt of notice of the Regional Director's denial of the first appeal. The Associate Director shall render a determination on the GAR's appeal within ninety (90) days following receipt of all related information. Action by the Associate Director is final.

In rendering such determinations, the Associate Director may, in those cases involving appeals of a highly technical nature, refer the appeals the appeal to an independent scientific or technical body for review. The GAR must first agree to such a process, including a waiver of the ninety (90) day time limitation for appeal resolution, as well as, sharing the cost of such reviews.

12. TIME EXTENSIONS

Time extensions up to twelve months for project completion may be granted by OES, upon written request. Requests must detail the circumstances requiring an extension and indicate a projected

completion date. Requests for time extensions must be approved by OES prior to the previously approved project completion date.

Requests for time extensions beyond the authority of OES will be submitted to the FEMA Regional Director (RD) for approval and must include:

- * dates and provisions of all previous extensions on the projects; and
- * detailed explanation for the delay and a projected completion date.

Following the Regional Director's review and determination, OES will be notified in writing of the time extension request. OES, in return, shall notify the subgrantee of FEMA's determination.

If the extension is denied, the subgrantee can submit a second request to be considered by the FEMA National Office. If the second time extension request is denied, upon completion of the project, the subgrantee will be authorized expenditures for eligible project costs incurred prior to the latest approved completion date only. No federal funding will be provided for any project which is not completed.